

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

CC Docket No. 96-254

In the Matter of )  
 )  
Implementation of Section 273 of )  
the Communications Act of 1934, as )  
amended by the Telecommunications )  
Act of 1996 )

REPLY COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION

MCI Telecommunications Corporation (MCI), by its undersigned attorneys, hereby replies to certain comments filed in response to the Notice of Proposed Rulemaking initiating this proceeding (Notice).<sup>1</sup> Several of the parties commented on the issues raised in the Notice concerning the standards-setting process, which is addressed specifically in Section 273(d) of the Communications Act of 1934, amended by the Telecommunications Act of 1996 (the 1996 Act).

MCI is concerned that those comments may create a false impression as to how the standards process -- and, in particular, Bellcore's technical and "generic" requirements process -- works in actual practice, leading the Commission to an unjustified reliance on those processes in its resolution of this proceeding. MCI therefore finds it necessary to correct the record in this regard so that the Commission may take the steps necessary to maintain open, nondiscriminatory technical standards-setting and Bellcore requirements processes. Otherwise, the competitive goals of the 1996 Act will be frustrated by the Bell Operating

<sup>1</sup> FCC 96-472 (released December 11, 1996).

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Companies' (BOCs') continued dominance of those processes.

A. The BOCs and Bellcore Create a False Impression of the Standards and Requirements Processes

In their initial comments, Bellcore and the BOCs present a benign description of the industry standards and Bellcore generic requirements (GR) processes, which, they claim, have helped to provide a base of broadly accessible technical information to enable seamless interoperability in a multi-source competitive environment. Bellcore asserts that its contributions to accredited standards bodies and industry fora, as well as its GRs, have promoted competition in the supply of network equipment. Bellcore and the BOCs claim that they do not control industry network interface and equipment standards and that the public notice and comment process in Section 273(d) should not apply to GRs or standards developed by Bellcore or BOCs controlling less than a combined total of 30% of all access lines in the United States.

In fact, however, the reality is much different. The BOCs, working through Bellcore, routinely bypass the industry standards process by publishing the GRs through the Bellcore-controlled private requirements process. Once the GRs have gone through the Bellcore process, equipment vendors are not in any position to oppose them. Even 30% of the BOC access lines represents an enormous market for the vendors, and they have no contrary interests of their own with regard to the establishing of interface and equipment standards. It is only competitive

service providers, such as MCI, that are injured by the Bellcore/BOC de facto standards process. The sale of Bellcore will not make any difference, since the BOCs will still control almost all of Bellcore's revenues.

B. MCI Has Submitted Substantial Evidence to the Commission of the Bellcore/BOC Dominance of the Standards Process and Their Abuse of the Requirements Process

MCI has submitted substantial evidence of the Bellcore/BOC de facto control of industry standards processes in other proceedings. In the Computer III Further Remand Proceedings,<sup>2</sup> MCI filed an affidavit by Peter P. Guggina, Director of Technical Standards Management for MCI (1995 Guggina Affidavit), detailing the Bellcore/BOC control of the standards setting processes of the Alliance for Telecommunications Industry Solutions (ATIS) and the manner in which the BOCs distort those processes to thwart the development of competition.<sup>3</sup> Subsequently, MCI submitted an

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<sup>2</sup> Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services, CC Docket No. 95-20.

<sup>3</sup> See Affidavit of Peter P. Guggina, dated April 3, 1995, attached as Exhibit B to the Comments of MCI Telecommunications Corporation, Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services, CC Docket No. 95-20 (corrected version filed April 10, 1995).

It should be noted that ATIS filed its comments in this proceeding, which misrepresent the standards process, without checking with its Board of Directors, Policy Committee or membership. MCI falls within all three categories but is not an incumbent local exchange carrier and thus apparently is not consulted on matters that may affect the BOCs' interests. MCI would have opposed the filing of ATIS' misleading comments, had it been asked. ATIS' conduct in this proceeding is symptomatic of its handling of the technical standards issues that come before it.

ex parte letter in that proceeding attaching another affidavit by Mr. Guggina responding to BOC criticisms of his original affidavit, supported by the affidavits of David P. Jordan, Advisory Engineer in Technical Security, Network Systems Engineering; Anthony J. Toubassi, Advisory Engineer in Technical Standards Management; and James D. Joerger, Senior Engineer, Technical Standards Management for MCI (Joerger Affidavit).

Those affidavits provided further detailed evidence that because of BOC domination, the Information Industry Liaison Committee (IILC) and other similar industry fora are ineffective in bringing about technical changes sought by other sectors of the telecommunications industry and therefore cannot be relied upon by the Commission to develop and implement meaningful open network standards.<sup>4</sup> MCI incorporates those filings by reference and respectfully refers the Commission to them for more detail as to the Bellcore/BOC dominance of industry standards fora and the crippling effect of such dominance on the development of the open network that is so necessary to the development of competition.

Of particular significance to this proceeding, Mr. Guggina's original affidavit explained how Bellcore's GR process is used by the BOCs to nullify standards established in industry fora. Even

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<sup>4</sup> See Affidavit of Peter P. Guggina, dated April 5, 1996, Affidavit of David P. Jordan, dated March 5, 1996, Affidavit of Anthony J. Toubassi, dated April 24, 1996, and Affidavit of James D. Joerger, dated April 4, 1996, attached to ex parte letter from Frank W. Krogh, MCI, to William F. Caton, Secretary, FCC, dated April 25, 1996, Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services, CC Docket No. 95-20.

where technical standards have supposedly been established in public fora, Bellcore often fails to incorporate those agreed-upon standards in the technical specifications it develops for the BOCs. Thus, other sectors of the industry never know if a technical standard or industry forum agreement will be implemented or implemented in the same manner across all access networks. In contrast, the BOCs can closely coordinate among themselves through Bellcore. Bellcore makes a great show of inviting input from other sectors in its GR process, but that input carries only the weight that the BOCs decide to give it. Only the BOCs have a role in actually determining what is included the GR specifications. That process is therefore essentially a private standards-setting process managed by Bellcore to circumvent the industry standards or forum arenas.<sup>5</sup>

One example of this abuse of the GR process and of the standards processes in general presented in the 1995 Guggina Affidavit concerned the issuance of the Screen List Editing (SLE) service requirements in 1994. The SLE service provides end users with the ability to change a switch resident table, which controls various call management features. In the Bellcore technical requirements document, the BOCs specified that the routing of the SS7 signaling messages used to facilitate this functionality would be transported via a network chosen by each BOC and not based on equal access presubscription. Thus, the BOCs, acting through Bellcore, were able unilaterally to make a

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<sup>5</sup> 1995 Guggina Aff. at 21-23.

significant policy decision -- that an important functionality necessary for effective interexchange competition would not be provided as part of the equal access process -- with no effective review or external check.

Moreover, although equal access presubscription utilized the Intermediate Signaling Network Identification (ISNI) capability, even after the BOCs allowed ISNI to become an industry standard, Bellcore still determined that the SLE service would not utilize ISNI when it issued revised technical requirements for SLE. MCI's efforts to bring this issue before the Industry Carriers Compatibility Forum and Carrier Liaison Committee were rebuffed, leaving Bellcore completely in control of this standards issue.<sup>6</sup>

C. Bellcore and the BOCs Continue to Abuse  
the Requirements Process

The situation has not improved since those affidavits were filed. Recently, a dispute has arisen over the use of "Query on Release" (QoR) as a means of implementing Local Number Portability (LNP). Several competitive local exchange carriers (CLECs) and interexchange carriers (IXCs) have argued against QoR as an anticompetitive solution for LNP, because it subjects calls to ported numbers to more delay than calls to numbers that have not been ported. Other disadvantages of QoR have been highlighted in various industry submissions and contributions.

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<sup>6</sup> Id. at 23-25. See also, Joerger Aff. at 14-16.

Even the Commission has ruled against QoR as a solution for LNP.<sup>7</sup> Despite all of this opposition, and without waiting for the issue to be reviewed in industry standards fora, the BOCs funded Bellcore to invest its efforts in the development of LNP GRs that included QoR. Bellcore has continued to include QoR in its GRs for LNP even subsequent to the Commission's contrary ruling, which has just been affirmed on reconsideration.<sup>8</sup> Bellcore's explanation for its obstinacy apparently is that its "clients" are continuing to press for QoR as the solution for LNP.<sup>9</sup>

D. Conclusion

Accordingly, industry standards, even when they are established in a fair and open manner, which is not always the case, do not ensure interoperability or competitive conditions. In many cases, Bellcore GRs are used to define requirements in more detail or fill in the gaps not specified in the standards. In some cases, as in the SLE or QoR issues discussed above, those

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<sup>7</sup> See First Report and Order and Further Notice of Proposed Rulemaking, Telephone Number Portability, CC Docket No. 95-116, 11 FCC Rcd. 8352, 8381 (1996), recon. denied, FCC 97-74 (released March 11, 1997).

<sup>8</sup> See First Memorandum Opinion and Order on Reconsideration, Telephone Number Portability, CC Docket No. 95-116, FCC 97-74 (released March 11, 1997), at ¶¶ 20-47.

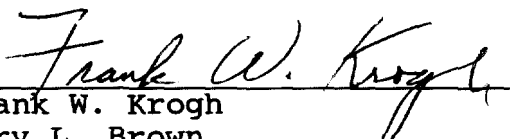
<sup>9</sup> Since this issue first arose, the GR process has nominally been opened up to other industry participants, but the BOCs continue to dominate it. All that has changed is that other industry members may now pay \$70,000 for the privilege of "participating" in a particular GR issue and having their views completely ignored as to any requirements that affect the BOCs' strategic business interests, e.g., unbundling of network elements.

technical requirements can be as important or more important than the overall standards set in industry fora, since the GRs can effectively nullify all of the standards-setting that has already taken place. Combined with the BOCs' leverage over Bellcore through their vast purchasing power, which is not likely to change after Bellcore is sold, the Bellcore GRs effectively dictate the entire industry's technical standards, notwithstanding the needs of competitive service providers.

In order to make the requirements process fair and competition enhancing, the GRs should be developed in the public accredited standards-setting organizations. The BOCs still hold undue power in those bodies, as detailed in the affidavits cited above, but there is at least a modicum of public participation and due process in the public standards processes that offers some opportunity for competitive interests to be heard. Unless the GRs and Bellcore requirements process generally can be rescued in this way, it will remain a BOC playground, serving as the BOCs' last stand against local competition.

Respectfully submitted,

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Dated: March 26, 1997



**CERTIFICATE OF SERVICE**

I, Sylvia Chukwuocha, hereby certify that on this 26th day of March, 1997, copies of the forgoing "REPLY COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION" were sent by first-class mail, postage prepaid, to the following persons at the addresses listed below:

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